

MARX – A COMPREHENSIVE REFUTATION AT LAST

JOSEPH KECKEISSEN *reviews*
a systematic new critique of Marxist theory

Lawrence Eubank's *A Critical Inquiry Into The Case Against Capital* is an impressively logical and deductive method of refuting Marx, even when compared with those of better-known, 'classical' authors.

In chronological order, the first lucid critique came from the Austrian Eugen von Bohm Bawerk, in his 1884 publication *Capital and Interest*¹. What distinguishes him is his effort to come to terms with the nature of his subject – in his case the nature of interest, which is the temporal product of capital. He covers each one of the past theories and their authors, dissecting each, rejecting what is contrary to fact and logic and finally expounds the essence of interest, which is the creation of value due to the passing of time. His method is called metaphysical essentialism, the pinpointing of the very intrinsic nature of the subject of capitalism.

Another approach, in 1891, appears in the Leonine encyclical *On the Condition of Labour*, also known as *Rerum Novarum*². Here the Papal authority relies on the dictates of natural law, which forbids the socialist state to "penetrate and pervade the family and the household". He asserts that "the main tenet of Socialism, the community of goods, must be utterly rejected, for it would injure those whom it is intended to benefit, it would be contrary to the natural rights of mankind, and it would introduce confusion, and disorder into the commonwealth."

This is reaffirmed 40 years later in the encyclical *Quadragesimo Anno* of Pius XI, who states that: "Socialists argue that economic production, of which they see only the material side, must necessarily be carried on collectively, and that because of this necessity men must surrender and submit themselves wholly to soci-

ety with a view to the production of wealth...They affirm that the loss of human dignity, which results from these socialized methods of production, will be easily compensated for by the abundance of goods produced in common and accruing to the individual who can turn them at his will to the comforts and culture of life. Society, therefore, as the Socialist conceives it, is, on the one hand, impossible and unthinkable without the use of compulsion of the most excessive kind: on the other it fosters a false liberty, since in such a scheme no place is found for true social authority, which is not based on temporal and material advantages, but descends from God alone, the Creator and Last End of all things"³. Thus the papal argument includes both the *jus naturale* and the complementary *jus divinum*.

In 1922, Ludwig von Mises's *Socialism*⁴ was published, the relevance of which was passionately debated throughout the remainder of the 20th century; perhaps the final favourable verdict was withheld until the collapse of the communist-socialist empire in 1989. Mises' methodology is utilitarian consequentialist. He attacks Marx by analyzing how an economy, socialist in principle, would actually function in reality: how society would be organized, how production could be accomplished, with the

resultant impossibility of economic calculation in a system which lacks the benefits of free market prices, and the logical chaos that would result from these premises. He makes an interesting point concerning the early Bolsheviks:

"Few indeed have been courageous enough to oppose Socialism with that remorseless criticism which it is the duty of the scientific thinker to apply to every aspect of inquiry. Only thus is to be explained the fact that supporters and opponents of Socialism have unquestioningly obeyed the prohibition which Marxism has laid on any closer discussion of the economic and social conditions of the socialist community...The purpose of the prohibition to study the working of a socialist community, which was justified by a series of threadbare arguments was really intended to prevent the weakness of Marxist doctrines from coming clearly to light in discussions regarding the creation of a practicable socialist society"⁵.

Finally, the author would like to recall the famous class of his professor Goetz Briefs entitled "The History of Capitalism", given in Georgetown University during the 1950s and 1960s. Briefs shows how Marx, although having identified capitalism in the epoch in which he perceived it, did not identify it in its phases of transi-

tion from pre-capitalism to industrial capitalism, as the phenomenon of capitalism had not yet reached its maturity. He extrapolated this initial period as the essence of capitalism. He mistook the exploitation of labour as the fundamental feature of capitalism, not recognizing that profit cannot be traced to labour. He did not realize that government could become the guardian of the worker's interest instead of those of the capitalist. He could not evaluate the future role of the trade unions, not as the vanguard of revolution, but as the defenders of the capitalistic system.

The metaphysical essence of capital, the repugnance of natural law towards the socialist rejection of liberty, the analysis of how a socialist society would in fact be unworkable, and the Marxian dogmas that history revealed as immature...when all of these approaches are combined with Eubank's logical refutation of Marxian blunders, each one is of value.

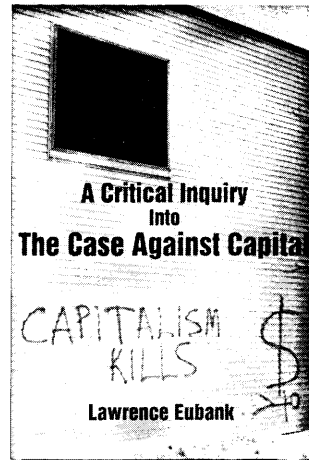
But of the five, can we not say that Eubank's is the most daring, most comprehensive, and even the most valuable? It gives me great pleasure to escort Lawrence Eubank into the company of the great anti-socialists, Bohm Bawerk, a series of Roman pontiffs, and my great teachers, Ludwig von Mises and Goetz Briefs. ♦

NOTES

1. Von Bohm-Bawerk, Eugen, *Capital and Interest - A Critical History of Economical Theory*, Libertarian Press, South Holland, Illinois, 1959
2. Treacy, Gerald C, S J, *Five Great Encyclicals*, Paulist Press, New York, 1939, pp 6-7
3. *Ibid*, pp157-158
4. Ludwig von Mises, *Socialism - An Economic and Sociological Analysis*, translated by J Kahane, Liberty Fund, Indianapolis, 1981
5. *Ibid*, p19

JOSEPH KECKEISSEN

is a professor of economics at both the Universidad Francisco Morroquin and the Universidad Mesoamerica in Guatemala



**A CRITICAL INQUIRY INTO
THE CASE AGAINST CAPITAL**

Lawrence Eubank, iUniverse, New York, 2005, pb, 480pp, US\$27.95

